

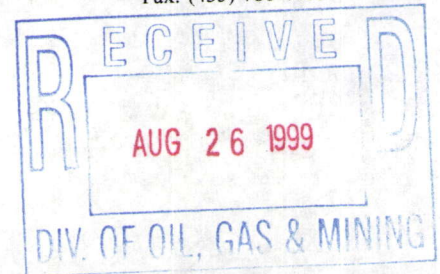


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799
<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400
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IN REPLY REFER TO:

3809
(UT083)
U76097

Certified Mail
Return Receipt Requested
No. Z 329 200 576

AUG 25 1999

Mr. Ron Ryan
SF Phosphates L.C.
9401 North Highway 191
Vernal, Utah 84078

DECISION

Plan of Operation Approved

SF Phosphates applied to this office for approval to operate a tailings storage facility upon certain unpatented mill sites located within T.3S., R.21E., Section 1 and T.3S., R.22E., Section 6 (SLM). Our office assigned your plan serial number UTU76097. Environmental assessment UT-080-1999-14 was written in response to the plan. The decision record in the matter of that EA was that the proposed action alternative, the your plan of operation, is approved. It has also been determined in accordance with Public Law 585 (the Multiple Mineral Development Act) that the plan of operation will avoid damage to the phosphate deposit underlying the mill sites cited in the plan.

SF Phosphates' plan of operation is approved provided that

- 1) The operations on the unpatented mill sites are limited to the tailings storage and reclamation operations as described in your plan of operation dated July 24, 1998; revised September 17, 1998 (revision transmitted under cover letter dated September 21, 1998). Requests to modify the approved plan must be made pursuant to the provisions of 43 CFR 3809.1-7. A determination would be made by the authorized officer as to whether or not a proposed modification reasonably avoids damage to underlying leasable mineral deposits.
- 2) A bond must be posted with the Utah State Office of the BLM before operations commence on the unpatented mill sites cited in your plan of operation. This office has forwarded the State Office an advisory that the calculated reclamation amount cited in your plan is accurate and that is the amount of bond which must be posted. The State Office may hold a bond jointly with the Utah Division of Oil, Gas and Mining if it is shown the amount of the bond posted with UDOGM is adequate. You will be notified by a Mining Claim

Adjudicator from the Utah State Office (P.O. Box 45155, Salt Lake City, UT 84145-0155; (801) 539-4123 or 4121) regarding the bond posting requirements.

3) SF Phosphates shall provide the Vernal Field Office (attention Assistant Field Manager (AFM) Mineral Resources) copies of filings or notices with and approvals or correspondence from other Local, County, State, and Federal regulatory agencies regarding the tailings storage facility. This shall include the results of analysis of samples of tailings solids and of the water within the tailings storage facility (to include the sampling and testing of waters flowing into or being discharged into the TSF).

Advisories

1) The operator should provided this office with the name and address of the person with SF who should be in receipt of BLM correspondence regarding the subject plan. Please notify us if this point of contact changes.

2) Case number UTU76097 should appear on correspondence from the operator to the Vernal Field Office with regards to the TSF operations.

3) TSF operations on the unpatented mill sites are subject to periodic inspections by the BLM. We prefer to commence inspections when the TSF operations actually begin on the mill sites. Please advise this office when your operations are about to commence on the mill sites.

4) Figure 5 of EA-UT-080-1999-14 shows the location of split estate lands north of the unpatented mill sites. Since the BLM is responsible for the administration of the reserved minerals, our office should be informed of SF Phosphates' activities which affect the subsurface on such lands. This would include the drilling of holes to obtain geotechnical information, drilling of monitoring wells, excavation of rock, etc. We are requesting the following regarding existing and future operations on such lands

- The location of the operation (on a map or by describing where it is by latitude and longitude, UTM's or the footage from the side-lines of the section, etc.).

- A description of the operation, e.g., depth and diameter of drill holes, drilling method, description of samples taken, etc.. Briefly describe why the work was conducted.

- A description of geological, geochemical, and geophysical information obtained.

- A description of abandonment procedures. For existing drill holes or excavations, please describe how long such will remain open and why, and

- Who permitted the activity.

Information about existing operations should be submitted within 60 days of receipt of this letter. With regards to future operations, The Vernal Field Office is to be advised within seven working days prior to the commencement of operations on split estate lands.

5) SF Phosphates must apply for a mineral material sale if the company wishes to obtain borrow material from split estate lands where "all minerals" are reserved to the U.S. Government (see Figure 5 of EA UT-080-1999-14). For more information about how to obtain a sale of mineral materials, please contact the AFM Mineral Resources, Vernal Field Office.

Approval of this plan will not now or in the future serve as a determination of the ownership or the validity of any mill site to which it may relate.

You have the right of appeal to the Utah State Director, Bureau of Land Management (P.O. Box 45155, Salt Lake City, Utah 84145-0155), in accordance with 43 CFR 3809.4. If you exercise this right, your appeal, accompanied by a statement of reasons and any arguments you wish to present which would justify reversal or modification of the decision, must be filed in writing to this office (Bureau of Land Management, Vernal Field Office, 170 South 500 East, Vernal, Utah 84078) within 30 days from the receipt of this decision. This decision will remain in effect during the appeal unless a written request for a stay is granted. If you wish to file a petition pursuant to 43 CFR 3809.4(b) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the State Director, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based upon the standards listed below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

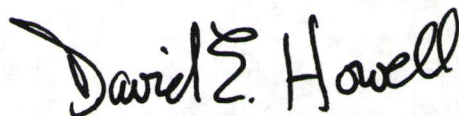
Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied.
- (2) The likelihood of the appellant's success on its merits,
- (3) The likelihood of immediate and irreparable harm if a stay is not granted, and
- (4) Whether the public interest favors granting the stay.

You can contact Peter Sokolosky of this office if you have any questions about this decision. The office telephone and fax numbers and address are in the letterhead.

Sincerely



David E. Howell
Field Manager

cc: UT 930
Utah Div. of Oil, Gas, and Mining